

PRESTON DuFAUCHARD
California Corporations Commissioner
WAYNE STRUMPFER
Deputy Commissioner
ALAN S. WEINGER
Supervising Counsel
ALEXANDER M. CALERO (SBN 2382389)
Corporations Counsel
1515 K Street, Suite 200
Sacramento, California 95814
Telephone: (916) 445-9626

Attorneys for the People of the State of California

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE
CENTRAL JUSTICE CENTER

JUN 16 2006

ALAN SLATER, Clerk of the Court
A. Beltran
BY K BELTRAN

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

THE PEOPLE OF THE STATE OF
CALIFORNIA, by and through the
COMMISSIONER OF CORPORATIONS,

Plaintiff,

vs.

STEVEN ARTHUR SCOTT, an individual, and
doing business as BENCHMARK FINANCIAL
SERVICES,

Defendants.

Case No.: 06CC07158

TEMPORARY RESTRAINING ORDER AND
ORDER TO SHOW CAUSE
RE: PRELIMINARY INJUNCTION

Judge:
Dept:

Hearing Date:
Hearing Time:
Date Action Filed:
Trial Date:

TO ALL DEFENDANTS AND THEIR COUNSEL OF RECORD:

The Ex Parte Application for Temporary Restraining Order came on regularly at the above date and time and in the Department indicated. Plaintiff, the People of the State of California by and through the California Corporations Commissioner ("Commissioner") was represented by Corporations Counsel Alexander M. Calero.

After consideration of Plaintiff's Ex Parte Application, Complaint, Memorandum of Points and Authorities in support thereof, Declarations and evidence in support thereof, the Court finds that the People have demonstrated a likelihood of prevailing on the merits of the action and the absence of any substantive opposition or defense to the request for injunctive relief, and FOR GOOD CAUSE

1 APPEARING

2 IT IS THEREBY ORDERED THAT:

3 1. Pursuant to California Corporations Code section 25530, a Temporary Restraining
4 Order is hereby issued restraining and enjoining Defendants STEVEN ARTHUR SCOTT, an
5 individual, and doing business as BENCHMARK FINANCIAL SERVICES and their officers,
6 directors, successors in interest, agents, employees, attorneys in fact, and all persons acting in concert
7 or participating with them, or any of them, from directly or indirectly:

8 a. Violating California Corporations Code section 25230 by conducting business
9 as an investment adviser without first securing a certificate from the California Corporations
10 Commissioner, or substantially assisting violations thereof in the State of California.

11 b. Violating California Corporations Code section 25235 subdivision (d) by
12 engaging in deceptive and manipulative practices, including but not limited to, distributing
13 advertisements containing client testimonials, within the meaning of the California Code of
14 Regulations, title 10, section 260.235 subdivision (a)(1).

15 c. Violating California Corporations Code section 25235 subdivision (d) by
16 engaging in deceptive and manipulative practices, including but not limited to distributing
17 advertisements containing misrepresentations of material fact, within the meaning of the California
18 Code of Regulations, title 10, section 260.235 subdivision (a)(5).

19 d. Violating California Corporations Code section 25235 subdivision (d) by
20 engaging in deceptive and manipulative practices, including but not limited to failing to disclose a
21 self-regulatory organization disciplinary proceeding, within the meaning of the California Code of
22 Regulations, title 10, section 260.235.4 subdivision (a)(3).

23 e. Removing, destroying, mutilating, concealing, altering, transferring, or
24 otherwise disposing of, in any manner, any books, records, documents, correspondence, brochures,
25 manuals, or other documents of any kind in the possession, custody or control of the Defendant,
26 including but not limited to those pertaining to the above referenced acts.

27 f. Transferring, changing, disbursing, selling, dissipating, converting, pledging,
28 assigning, foreclosing or otherwise disposing of any real or personal property or assets, in their

1 possession or under their control, or in the possession of, or under the control of, any of them, which
2 property or other assets are or were to be held for the benefit of Defendants' clients and/or creditors,
3 or by any person for the benefit of any clients and/or creditors of Defendants, and each of them,
4 whether in trust or otherwise.

5 IT IS FURTHER ORDERED THAT:

6 Pursuant to Code of Civil Procedure section 527(d)(1), an Order to Show Cause hearing shall
7 be held on July 7, 2006, at 10:00 a.m., in Department C4 of this Court, at which time Defendants
8 shall show why a preliminary injunction should not be granted. The hearing shall be held in
9 accordance with Code of Civil Procedure section 527(e).

10 The following briefing schedule shall apply: If Defendants choose to submit written
11 statements or objections to the issuance of a preliminary injunction, papers must be filed with the
12 Court no later than June 26, 2006, at 4:00 p.m., and served by facsimile and overnight mail on the
13 Commissioner. If the Commissioner chooses to file a reply, papers must be filed no later than June
14 30, 2006, at 4:00 p.m., and served by facsimile and overnight mail on the Defendants at the business
15 address.

16 A copy of the Ex Parte Application, the Order Issuing this Temporary Restraining Order, the
17 Complaint, the Memorandum of Points and Authorities in support thereof, the Declarations in support
18 thereof, and all other exhibits in support thereof, together with a copy of the Order to Show Cause
19 shall be served on all Defendants no later than June 19, 2006, at 4:00 p.m., pursuant to the Code of
20 Civil Procedure section 527(d)(2).

21 IT IS SO ORDERED.

22
23 Dated: June 16, 2006

24
25 **KIRK H. NAKAMURA**

26
27 JUDGE OF THE SUPERIOR COURT